



COMMITTEE OF THE WHOLE, BUDGET REPORT

Board Room

Tuesday, February 4, 2020

8:00 pm

Board Room

Administration Building

133 Greenbank Road

Ottawa, Ontario

Trustees Present:	Christine Boothby, Rob Campbell, Chris Ellis, Lyra Evans, Mark Fisher, Wendy Hough, Jennifer Jennekens, Keith Penny, Sandra Schwartz, Lynn Scott, Ganaaboute Gagne (Student Trustee), Prasith Wijeweera (Student Trustee)
Staff Present:	Camille Williams-Taylor (Director of Education), Brett Reynolds (Associate Director), Janice McCoy (Superintendent of Human Resources), Dorothy Baker (Superintendent of Curriculum), Peter Symmonds (Superintendent of Learning Support Services), Michele Giroux (Executive Officer, Corporate Services), Kevin Gardner (Manager of Finance), Pamela LeMaistre (Manager of Human Resources), Diane Pernari-Hergert (Manager of Communications & Information Services), Charles D'Aoust (Coordinator of Budget Services), Teri Adamthwaite (Coordinator of Financial Reporting), John MacKinnon (Audio-Visual Technician), Nicole Guthrie (Manager of Board Services), Leigh Fenton (Board/Committee Coordinator)
Non-Voting Representatives Present:	Wulf Heidecker, Elementary Teachers' Federation of Ontario (ETFO), Jennifer Tremblay, Ottawa-Carleton Secondary School Administrators Network (OCCASN), Steve Spidell (OCSSAN), Rob James, Ottawa-Carleton Elementary Operations Committee (OCEOC), Cathy Bailey, Ontario Secondary School Teachers' Federation (OSSTF) (Teachers), Malaka Hendela, Ottawa-Carleton Assembly of School Councils (OCASC) and Stacey Kay (Non-affiliated staff)

1. Call to Order - Chair of Committee of the Whole, Budget

Chair Schwartz called the public session to order 8:05 p.m. and acknowledged that the meeting is taking place on unceded Algonquin Territories and thanked the Algonquin Nation for hosting the meeting on their land.

2. Approval of Agenda

Moved by Trustee Hough,

THAT the agenda be approved.

Carried

3. Delegations

There were no delegations.

4. Discussion Items

4.1 Report 20-003, Revised Estimates 2019-2020 (M.Carson, ext.8881)

Director Williams-Taylor introduced Report 20-003 and Report 20-021. She noted that she is vested in the establishment of the parameters for the 2020-2021 budget and explained that the creation of the budget is a full-year process.

Your Committee had before it Report 20-003, explaining changes reflected in the District's 2019-2020 Revised Estimates as compared to the District's 2019-2020 Budget and to seek approval of the In-Year Deficit Elimination Plan (the Plan) as required by the Ministry of Education.

Manager Gardner provided the following information:

- The revised estimates show a budgeted deficit of \$8.4 million;
- Average daily enrolment (ADE) decreased by net 75 students which decreased the majority of allocations that comprise the Grants for Student Needs (GSNs);
- The Indigenous Education allocation increased as a result of higher enrolment in secondary courses that qualify for the Indigenous studies amount;
- The Transportation Grant decrease reflects lower enrolment and incorporates funding adjustments driven by prior year costs;
- International student enrolment decreased by 28 students;
- Increased provision for occasional teacher costs are supported by net instructional compensation savings;
- The budget for the Extended Day program anticipated a surplus which will be used to offset the expected deficit for the Infant, Toddler and

Preschool program. Staff is reflecting upon ways to improve service delivery with the surplus;

- Increased operating costs and increased spending on portable relocations is a result of demographic changes and program needs;
- Some funds set aside for the acquisition of minor tangible capital assets (MTCA) such as furniture, equipment and computers are being used to support operations. Investments originally earmarked for broadband expansion and computer modernization will continue;
- Deferred capital contributions and related amortization expenses both decreased as a result of the remaining service life review conducted last year, as directed by the Ministry; and
- The use of accumulated surplus is anticipated to support capital investments, such as the portable acquisitions.

Manager Gardner explained that the Ministry has set a new requirement that an in-year deficit elimination plan be prepared to show how the deficit will be eliminated within two years. To provide for the greatest flexibility in budget planning for the coming years, the Plan identifies revenue reductions of \$1.5 million in 2020-2021 with offsetting reductions in staffing costs and portable relocations. The approach effectively defers the deficit elimination to 2021-2022 and that reductions would be achieved primarily through reduced MTCA investments.

During the discussion, the following points were noted:

- The MCTA were shown as part of the capital budget. The use of MTCA funds ensures that the District continues to be compliant with Ministry requirements for operating budgets;
- A reduction in MCTA investments would impact the renewal cycle; however, the amount that is set aside is based on District priorities. If the funds are not spent on MCTA, they will move to operating revenue and result in either a reduced deficit or increased surplus for the year;
- The Transportation Grant has been adjusted downwards even though transportation costs are expected to increase in relation to last year. The decrease reflects changes in enrolment assumptions and costs that were used to develop the 2019-2020 Budget. The grant calculation uses the prior year's actual financial results of both funding and expenses. Updates using the actual results accounts for approximately \$400,000 of the decrease. The remaining \$400,000 of the total reduction is the result of decreased enrolment and lower stabilization funding which is incorporated into the grant. Rising transportation costs are a challenge across the province and further adjustments will be required to accommodate the needs;

- Trustee Boothby registered her concern that the savings in EDP was in part a result of lower than anticipated needs in special education supports and overall rates of compensation that are less than budgeted. Manager Gardner confirmed that the Manager of Early Learning will be examining the extent of required special education supports and will be bringing forward a report;
- There is a shortfall of funding for teachers in classrooms and this is part of the reason for high attrition rates, however because the attrition rate is high, there is a downward adjustment to the funding formula. Discretionary and mandatory levels of teaching staff are considered when building the budget. Funding is dependent on the outcome of contract negotiations;
- Trustee Ellis requested that a staff memorandum be prepared regarding funding reductions relating to increased attrition from classroom-based teaching positions;
- Appendix E indicates that the in-year deficit reduction plan is a multiple year approach and will be updated in conjunction with the budget development process; and
- The reallocated resources has resulted in the maintenance of many investments previously supported using local priorities funding. It may become more challenging to continue to maintain the investments in the next budget year given the annual attrition of teachers and the resulting reduction in funding provided by the classroom teacher job protection allocation.

Moved by Trustee Lyra Evans,

That the Board approve the In-Year Deficit Elimination Plan attached as Appendix E to Report 20-003.

In response to queries, staff provided the following information:

- The costing for the Facilities Department was based upon preliminary information provided by the facilities group, coupled with the analysis of the previous year's results;
- The surplus for the EDP is unexpected and a report will be presented on potential drivers and a recommendation for fee structure. The Infant Toddler, Preschool (ITP) program and EDP results are netted for financial reporting purposes;
- The District's Technology Plan will continue in the 2020-2021 budget;
- Trustee Scott affirmed that the province had planned a thorough review of student transportation services. Transportation costs

continue to escalate and enhanced accountability is necessary to ensure the effectiveness of student transportation;

- The Regional Internal Audit Team (RIAT) is evaluating the attendance support program and the results of the audit will help inform areas of improvement. The wellness team has deployed strategies to increase capacity in order to reach out to more employees who are reaching the threshold in terms of days absent. A business case exists for bolstering the program and reducing absenteeism in the long term;
- The Priorities and Partnership Funds (PPF) are sometimes announced or confirmed after the annual budget has been approved. They are subsequently included in the revised estimates;
- In the PPF, an anticipated cost of \$247,595 was attributed to the Autism Pilot Project but it was subsequently confirmed that only \$34,000 was available for this project. The allocations are based on Ministry priorities;
- The cost of relocating portables has been a growing pressure for the last couple of years;
- The Ottawa-Carleton Education Network (OCENET) is a related
- OCENET financial information is combined with the District's information and reflected in the consolidated financial statements; and
- Information on changes to investments specifically related to student voice was not readily available during the meeting.

Moved by Trustee Lyra Evans,

That the Board approve the In-Year Deficit Elimination Plan attached as Appendix E to Report 20-003. (Attached as Appendix A)

Carried

4.2 Report 20-021, 2020-2021 Budget Process (M.Carson, ext.8881)

Your Committee had before it Report 20-021, providing information regarding the 2020-2021 budget development cycle and to review the components of the Ministry of Education funding model.

Director Williams-Taylor emphasized that budget planning is a continuous cycle and staff aim to ensure transparency in the process for the public. The report aims to facilitate an understanding of the entry points to the consultation process and encourages engagement and questions. The staff recommended budget will endeavour to condense and format the document to ensure broader access. The practices of other districts and alternate methods of presentation are being explored.

During the presentation of the report and in ensuing discussion, the following points were noted:

- Changing the way the annual budget is presented was largely supported by trustees;
- Trustee Fisher expressed the view that there is a vested interest in using the schools and the wisdom of the teachers and principals to build the District budget from the bottom up;
- Support was voiced for the proposed changes to enhance the presentation of information to more readily demonstrate how recommended expenditure changes align with the 2019-2023 Strategic Plan;
- The categories of the budget should highlight flexible and inflexible costs;
- Trustee Lyra Evans expressed the view that the funding provided to the RAISE Index be increased;
- In addition, in order to encourage the use of public transit, bus passes for high school students could be funded. It was noted that in the City of Kingston, students from grade 9 to 12 attending public, separate, private schools or home-based education ride free of charge;
- Further consideration was suggested on facilitating communication to the public on delegations and a timetable of scheduled discussions. Over the last three to five years, one night of delegations was sufficient to hear all registered individuals; and
- Clear, thematic ties could be established to show how changes in investments are linked to the goals of the Strategic Plan.

Ms. Hendela sought a response to the following queries:

- How will the District engage the public in the budget consultation process;
- Confirmation that the Parent Involvement Committee (PIC) has an opportunity to provide comment on the budget; and
- What are the primary budget pressures and how will the District engage the community.

Director Williams-Taylor noted that she will review these questions as the process begins and advised that budget presentations may be provided at each of the advisory committees. She added that the District is committed to engaging and listening to community voice in the budget process.

Manager Gardner emphasized that special education needs within EDP exist and the staffing capacity to respond to these pressures are considered when developing the budget. Deploying a ThoughtExchange exercise is being contemplated for outreach to parents and guardians.

5. New Business - Information and Inquiries

There was no new business.

6. Adjournment

Chair Schwartz advised that the next meeting is scheduled for 20 April 2020 at 7:00 p.m. The meeting adjourned at 10:06 p.m.

Sandra Schwartz, Chair